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FOREIGN SERVICE DESPATCH

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TO: DECLASSIFICATION DATE 11/22/76 THE DEPARTMENT OF STATE, WASHINGTON.

DATE April 22, 1954

PER Platt OFFICE ARA

REF: FADRC FOI CASE NO. 640259

Action Assigned 2 cys 4-23-54

Action Taken 4-23-54

Action Office DC B-1 OS

Name of Officer

25 For Dept. Use Only	ACTION	DEPT.	
	OCI-10	INFO	DC/R-2 ARA-4 IAD
	REC'D 4-26	OTHER	USIA-8 army-35 Navy-39 Air-24 Lia-15

SUBJECT: Joint Weeka No. 16 for State, Army and Air Departments from S.

SUMMARY

Guatemala's independent, anti-Communist press last week commented less than favorably on the U.S. Government's action in registering a $16 million claim against Guatemala on behalf of the United Fruit Company while the Communist and other Administration papers dealt with the matter as another example of attempted "imperialist intervention." The Opposition and Administration alike tended to treat the matter as a national problem and neither appeared disposed to see merit in the U.S. viewpoint. The fact that the U.S. had offered to arbitrate was somewhat overlooked as attention focused on the size of the claim.

Meanwhile, the Grace and Company subsidiary operating the port of San José was forced to stop operations because the government had not renewed its charter. The Government took control of the company's operations.

On the domestic scene, there was evidence of significant but unorganized support for the Pastoral Letter of the Archbishop of Guatemala calling for a "National Crusade Against Communism." Churches were extraordinarily crowded during Holy Week, the market women were considering a demonstration on the Archbishop's behalf, and the number "32," referring to the unobserved "anti-Communist" article of the Constitution prohibiting international political organizations, was smattered on walls all over Guatemala City.

Pressure against anti-Communist radio programs continued with a raid on Radio Internacional by masked thugs who wounded an employee and smashed and stole equipment.

AMERICAN INTERESTS

Department's Removal of United Fruit Company Claim Received Unfavorable Reception: Publication in the local press of Washington dispatches reporting that the Department had filed a claim of $15,854,849 against Guatemala on behalf of the United Fruit Company for lands expropriated under the Agrarian Reform Law drew a generally

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unfavorable reaction in virtually all segments of Guatemalan opinion. Foreign Minister TORIELLO refused to comment for publication pending arrival of the text from Washington but told reporters off the record that Guatemala would reject it as intervention in domestic affairs. The labor committee preparing for the May 1 Labor Day celebration labeled it as "threat against national sovereignty." The Administration press made no initial editorial comment but its treatment of the matter in newscolumns also foreshadowed that this latest incident in the United Fruit controversy would be played up as "U.S. intervention" in Guatemalan affairs and as proof that the U.S. interest in this country was merely the protection of "imperialist monopolies."

The independent press, which stands with the U.S. on the Communist issue, turned against it on the United Fruit case, although it was also critical of the Guatemalan Government's handling of the matter. El Imparcial, the country's largest newspaper, commented that the claim was not only harmful to general Guatemalan interests but also "excessive" and "unjust." Clemente MARROQUIN Rojas in Impacto was contemptuous, saying that although the claim had aroused indignation in some persons, caused others annoyance, and given politicians some satisfaction by presenting them with a new issue, it did not have the "least importance" in these days and would drag on for several years. Prensa Libre, on the other hand, said the matter was serious and inferentially blamed the Guatemalan Government for ignoring previous U.S. efforts to negotiate. In a later editorial it added that the claim was unfounded and must be rejected.

Grace & Company Ceases Operating Pier at San José: The Agencia Marítima Nacional S.A., a subsidiary of Grace and Company operating the port facilities at San José, went into formal liquidation on April 20 because the Government failed to renew its charter which expired on February 7. The Government had allowed the company to continue under temporary extensions until April 20, but refused to grant any further extensions. The Agencia then gave the Government notice that it would undertake no new loading or unloading operations. The Government on April 22 took control of the company's port operations by appointing an interventor whose approval was required for any withdrawal of funds. It was expected that operations at San José would be resumed promptly.

DOMESTIC AFFAIRS

Archbishop's Anti-Communist Pastoral Letter Stirs Favorable Mass Response: The summons of Msgr. Mariano Rossell Arellano, Archbishop of Guatemala, to a "National Crusade Against Communism" (Weeka 15) appears to have evoked a favorable response from the inarticulate public, although the independent Opposition newspapers have been somewhat guarded and divided in their approval of it. The Holy Week services at which his Pastoral Letter on Communism

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was read brought the largest turnout in recent years, and several thousand people overflowed from the National Cathedral into the central square while the Archbishop conducted Good Friday services. The market women--among the most anti-Communist and fervently religious of Guatemala's people--are exploring the possibilities of staging a mass demonstration in favor of the Archbishop before or after the pro-Government May Day demonstration. There has continued to be much discussion of the Archbishop's letter and in this general atmosphere the walls in the downtown area of Guatemala City were mysteriously painted with the number "32," standing for Article 32 of the Constitution which forbids political organizations of foreign or international character.

These evidences of popular discontent with Communist influences in the country were unfortunately not matched by any vigorous activity by the lay anti-Communist organizations. These with many of their leaders in exile and some still in the Salamá jail appeared to have no concrete plans to follow up the Archbishop's lead.

In the opposite camp the Administration forces, including the Communists, now appear to lean toward a tactic of playing down the Archbishop's pronouncements. Following the Communists' initial blast against the Pastoral Letter, the party has said nothing further publicly on the subject. The "Pion Garma Wing" of the Renovación Nacional, the least important and most divided of the Administration parties, issued a statement strongly attacking the Archbishop, but the other parties have thus far been silent. The Administration newspapers attempted to attack the Pastoral Letter without attacking the Church, while the Communist Tribuna Popular played up the Pope's Easter Message concerning atomic weapons in an apparent effort to offset the local Pastoral Letter by giving the impression of an identity of aims between the leftists and the Holy See.

PSYCHOLOGICAL

Further Harrassment of Anti-Communist Radio Programs: In a new episode in the intimidation campaign against Guatemala's anti-Communist radio programs (Yesterday 24) five armed and masked thugs on the night of April 21 raided Radio Internacional, the station which broadcasts "La Hora Anticomunista," sponsored by the University students' anti-Communist Committee (CNUA). They trussed up the manager, Luis PUIG Montenegro, wounded the operator, Francisco de Leon, smashed some equipment and made off with other items. The damage was estimated at $3,000 and the station owner, José MONTERCO, was convinced that the raid was a reprisal against the students' program which had previously been jammed by a clandestine transmitter in the national police headquarters.

This action followed on the arrests, torture and expulsion of Roberto VIZCAINO and Horacio de CORDOVA, anti-Communist radio

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men around the beginning of February. There is thus every indication that the forces supporting President Arbenz are intent on toning down the anti-Communist radio broadcasts.

Another indication of this is seen in a private report from Francisco MONTENEGRO Sierra, Director of the "Guatemala Flash" independent newscast, who states that he received a teletype in January but was unable to get it out of customs until April 9 and then only after going to President Arbenz personally about the matter. He says he is still unable to obtain a license to operate it.

Communist Attack on USIA: In an indication of the Communist opposition to the USIA, the party newspaper Tribuna Popular on April 10 reprinted an article from Moscow's Izvestia accusing the United States Information Agency of conducting espionage. The article dovetailed into the Communists' standard line that the independent press in Guatemala is in the pay and control of this Embassy.

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cc: C. A. Posts & Routine

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